

1 **R277. Education, Administration.**

2 **R277-477. Distributions of Funds from the Interest and Dividends Account and**
3 **Administration of the School LAND Trust Program.**

4 **R277-477-1. Authority and Purpose.**

5 (1) This rule is authorized by:

6 (a) Utah Constitution Article X, Section 3, which places general control and
7 supervision of the public school system under the Board;

8 (b) Subsection 53A-16-101.5(4), which allows the Board to adopt rules
9 regarding the time and manner in which a student count shall be made for allocation
10 of funds; and

11 (c) Subsection 53A-1-401(3), which allows the Board to adopt rules in
12 accordance with its responsibilities.

13 (2) The Board is the primary beneficiary representative and advocate for the
14 beneficiaries of the School Trust corpus and the School LAND Trust Program.

15 (3) The purpose of this rule is to:

16 (a) provide financial resources to a public school to implement a component
17 of a school's improvement plan or charter document in order to enhance and improve
18 student academic achievement;

19 (b) provide a means to involve a parent of a school's student in
20 decision-making regarding the expenditure of School LAND Trust Program funds
21 allocated to the school;

22 (c) provide direction in the distribution of funds from the Interest and Dividends
23 Account, as funded in Subsection 53A-16-101.5(3);

24 (d) provide for appropriate and adequate oversight of the expenditure and use
25 of funds by a designated local board of education, an approving entity, and the
26 Board;

27 (e) provide for proper allocation of funds as stated in Subsections
28 53A-16-101.5(3) and (4), and the appropriate and timely distribution of the funds;

29 (f) enforce compliance with statutory and rule requirements, including the
30 responsibility for a school community council to notify school community members
31 regarding the use of funds; and

32 (g) define the roles, duties, and responsibilities of the School Children's Trust

Director within the USOE.

R277-477-2. Definitions.

(1) "Approving entity" means an LEA governing board, university, or other legally authorized entity that may approve or reject a plan for a district or charter school.

(2)(a) "Charter trust land council" means a council comprised of a two person majority of elected parents of students attending the charter school convened to act in lieu of the school community council for the charter school.

(b) "Charter trust land council" includes a charter school governing board if:

(i) the council meets the two-parent majority requirement; and

(ii) the charter school governing board chooses to serve as the charter trust land council.

(3) "Council" means a school community council or a charter trust land council.

(4) "Digital citizenship" means the same as that term is defined in Section 53A-1a-108.

(5) "Fall enrollment report" means the audited census of students registered in Utah public schools as reported in the audited October 1 Fall Enrollment Report of the previous year.

(6) "Funds" means interest and dividends income as defined in Subsection 53A-16-101.5(3).

(7) "Interest and Dividends Account" means the restricted account within the Uniform School Fund created under Subsection 53A-16-101(2).

(8) "Most critical academic need" means an academic need identified in a school's improvement plan or school's charter.

(9)(a) "Principal" means an administrator licensed as a principal in the state and employed in that capacity at a school.

(b) "Principal" includes the director of a charter school.

(10) "School Children's Trust Director" means the Director appointed by the Board under Section 53A-16-101.6.

(11) "Student" means a child in public school grades kindergarten through 12

64 counted on the fall enrollment report of a school district, charter school, or USDB.

65 **R277-477-3. Distribution of Funds - Local Board or Local Charter Board**
66 **Approval of School LAND Trust Plans.**

67 (1) A public school receiving School LAND Trust Program funds shall have:

68 (a) a school community council as required by Section 53A-1a-108 and Rule
69 R277-491;

70 (b) a charter school trust land council as required by Subsection
71 53A-16-101.5(9); or

72 (c) an approved exemption under this rule.

73 (2) A public school receiving School LAND Trust Program funds shall submit
74 a principal assurance form, as described in Section R277-491-5 and Subsection
75 53A-16-101.5(5)(c), prior to the public school receiving a distribution of School LAND
76 Trust Program funds.

77 (3) A charter school that elects to receive School LAND Trust funds shall:

78 (a) have a charter trust land council;

79 (b) be subject to Section 53A-1a-108.1 if the charter trust land council is not
80 a charter school governing board; and

81 (c) receive training about Section 53A-1a-108.1.

82 (4) A charter school that is a small or special school may receive an
83 exemption from the charter land trust council composition requirements contained
84 in Subsection 53A-16-101.5(9) upon application to the Board if the small or special
85 school demonstrates and documents a good faith effort to recruit members to the
86 charter trust land council.

87 (5) The principal of a charter school that elects to receive School LAND Trust
88 funds shall submit a plan to the School Children's Trust Section on the School LAND
89 Trust website:

90 (a) no later than April 1; or

91 (b) for a newly opening charter school, no later than November 1 in the
92 school's first year in order to receive funding in the year the newly opening charter
93 school opens.

94 (6)(a) An approving entity:

(i) shall consider a plan annually; and
(ii) may approve or disapprove a school plan.
(b) If an approving entity does not approve a plan, the approving entity shall:
(i) provide a written explanation why the approving entity did not approve the plan; and
(ii) request that the school revise the plan, consistent with Section 53A-16-101.5.

(7)(a) To receive funds, the principal of a public school shall submit a School LAND Trust plan to the School Children's Trust Section annually through the School LAND Trust website using the form provided.

(b) The Board may grant an exemption from a school using the USOE-provided form, described in Subsection (7)(a), on a case-by-case basis.

(8) In addition to the requirements of Subsection (6), the School LAND Trust plan described in Subsection (7)(a) shall include the date the council voted to approve the plan.

(9)(a) A council member shall have the opportunity to provide a digital signature indicating the member's involvement in implementing the current School LAND Trust plan and developing the school plan for the upcoming year.

(b) Entering the council member's name and email address into the Council Membership and Signature Form page on the School LAND Trust website and using that system to collect the digital signature shall suffice to meet the requirements of this Subsection (9).

(c) An LEA or district school, upon the permission of the LEA's governing board, may design the LEA or district school's own form to collect the information required by this Subsection (9).

~~[(10)(a) An LEA governing board shall establish a timeline, including a deadline, for a school to submit the school's School LAND Trust plan.~~

~~——(b) The deadline described in Subsection (10)(a) may be no later than May 1 of each year.~~

~~——(c) Timelines set by an LEA governing board shall allow for council reconsideration and amendment of the School LAND Trust plan if the local board of education rejects a plan.]~~

127 (10)(a) An approving entity shall establish a timeline, including a deadline, for
128 a school to submit a school's School LAND Trust plan.

129 (b) A timeline described in Subsection (10)(a) shall:

130 (i) require a school's School LAND Trust plan to be submitted to the approving
131 entity with sufficient time so that the approving entity may approve the school's
132 School LAND Trust plan no later than May 1 of each year; and

133 (ii) allow sufficient time for a council to reconsider and amend the council's
134 School LAND Trust plan if the approving entity rejects the school's plan and still allow
135 the school to meet the May 1 approving entity's approval deadline.

136 (c) After an approving entity has completed the approving entity's review, the
137 approving entity shall notify the School Children's Trust Section that the review is
138 complete.

139 ([42]11)(a) Prior to approving a plan, an approving entity shall review a School
140 LAND Trust plan under the approving entity's purview to confirm that a School LAND
141 Trust plan contains:

142 (i) academic goals;

143 (ii) specific steps to meet the academic goals described in Subsection
144 (12)(a)(i);

145 (iii) measurements to assess improvement; and

146 (iv) specific expenditures focused on student academic improvement.

147 ~~[(b)(i) The Superintendent shall review a School LAND Trust plan for~~
148 ~~compliance with statute and rule.]~~

149 ~~[(ii)b]~~ The approving entity shall determine whether a School LAND Trust plan
150 is consistent with the approving entity's pedagogy, programs, and curriculum.

151 (c) Prior to approving a School LAND Trust plan, the president or chair of the
152 approving entity shall provide training annually on the requirements of Section
153 53A-16-101.5 to the members of the approving entity.

154 (12)(a) After receiving the notice described in Subsection (10)(c), the School
155 Children's Trust Section shall review each School LAND Trust plan for compliance
156 with the law governing School LAND Trust plans.

157 (b) The School Children's Trust Section shall report back to the approving
158 entity concerning which School LAND Trust plans were approved and which were not

approved.

(c) An approving entity shall ensure that a School LAND Trust plan that is not approved by the School Children's Trust Section is amended or revised by the council to bring the school's School LAND Trust plan into compliance with state law.

[(14)]13) The USOE shall only distribute funds to a school with an approved School LAND Trust plan and that meets all other requirements.

R277-477-4. Appropriate Use of School LAND Trust Program Funds.

~~[(1) Acceptable uses of School LAND Trust Program funds include the following:~~

~~—— (a) a credit recovery course or program;~~

~~—— (b) a study skills class;~~

~~—— (c) a college entrance exam preparation class;~~

~~—— (d) an academic field trip;~~

~~—— (e) classroom equipment or materials, including flashcards, math manipulatives, a calculator, microscope, map, or book;~~

~~—— (f) a teacher, teacher aide, tutor, or other personnel if an employee paid out of School LAND Trust funds spends at least 75% of the employee's time interacting with, instructing, or preparing to instruct a student in an approved academic area;~~

~~—— (g) professional development directly tied to a school's academic goals, including a faculty meal, per diem, and travel required as a part of a professional development program;~~

~~—— (h) student focused educational technology, including hardware and software, a computer cart, work station, projector, and smart board.~~

~~—— (i) a book, textbook, workbook, library book, bookcase, magazine, and audio-visual material;~~

~~—— (j) a student planner; and~~

~~—— (k) a nominal student incentive that is academic in nature or of nominal total cost.~~

~~—— (2) Expenditures ineligible for School LAND Trust Program funding include the following:~~

~~—— (a) security costs;~~

190 ~~—— (b) phone, cell phone, electric, HVAC, or other utility;~~
191 ~~—— (c) a facility, building, or maintenance costs;~~
192 ~~—— (d) sports and playground equipment;~~
193 ~~—— (e) an athletic or intramural program;~~
194 ~~—— (f) an extra-curricular non-academic expenditure;~~
195 ~~—— (g) an audio-visual system in a non-classroom location;~~
196 ~~—— (h) a non-academic field trip;~~
197 ~~—— (i) an expense for a council meeting, parent night, orientation, training, or~~
198 ~~similar meeting or event;~~
199 ~~—— (j) mailing costs;~~
200 ~~—— (k) accreditation costs;~~
201 ~~—— (l) administrative, clerical, or secretarial costs, technical support, or~~
202 ~~maintenance, including for repair of an item not purchased with School LAND Trust~~
203 ~~funds;~~
204 ~~—— (m) cash or cash equivalent incentives, including a gift card of any type~~
205 ~~regardless of the recipient;~~
206 ~~—— (n) furniture;~~
207 ~~—— (o) a staff bonus; and~~
208 ~~—— (p) a similar non-instructional item or program.~~
209 ~~—— (3)(a) A School LAND Trust plan may budget and spend no more than the~~
210 ~~lesser of \$5,000 or 20% of the school's annual allocation of funds for in-school civic~~
211 ~~and character education, including student leadership skills training and positive~~
212 ~~behavior intervention.~~
213 ~~—— (i) A school may designate funds for an in-school civic and character~~
214 ~~education program or activity if the plan clearly describes how the program or~~
215 ~~activity will directly affect student academic achievement.~~
216 ~~—— (ii) A school may use funds to provide digital citizenship training as described~~
217 ~~in Section 53A-1a-108.~~
218 ~~—— (b) Notwithstanding other provisions in this rule, a school may use funds as~~
219 ~~needed to implement students' IEPs.]~~
220 (1) Parents, teachers, and the principal, in collaboration with an approving
221 entity, shall use School LAND Trust Program funds in data-driven and creative ways

222 to improve educational outcomes.

223 (2)(a) School LAND Trust Program expenditures are required to have a direct
224 impact on the instruction of students in the particular school's areas of most critical
225 academic need.

226 (b) For an expenditure to have a direct impact on the instruction of students,
227 the expenditure typically must be used by a teacher to instruct students in an area
228 of most critical academic need.

229 (3) A school may not use School LAND Trust Program funds for the following:

230 (a) to cover the fixed costs of doing business;

231 (b) for construction, maintenance, facilities, overhead, security, or athletics;

232 or

233 (c) to pay for non-academic in-school, co-curricular, or extracurricular
234 activities.

235 (4) A school district or local school board may not require a council or school
236 to spend the school's School LAND Trust Program funds on a specific use or set of
237 uses.

238 (5)(a) A council may budget and spend no more than the lesser of the
239 following for in-school civic and character education, including student leadership
240 skills training and positive behavior intervention:

241 (i) \$5,000; or

242 (ii) 20% of the school's annual allocation of School LAND Trust Program
243 funds.

244 (b) A school may designate School LAND Trust Program funds for an in-
245 school civic or character education program or activity only if the plan clearly
246 describes how the program or activity has a direct impact of the instruction of
247 students in school's areas of most critical academic need.

248 (6) A school may use a portion of school's School LAND Trust Program funds
249 to provide digital citizenship training as described in Section 53A-1a-108.

250 (7) Notwithstanding other provisions in this rule, a school may use funds as
251 needed to implement a student's Individualized Education Plan.

252 **R277-477-5. Distribution of Funds - Determination of Proportionate Share.**

253 (1) A local school board shall report the prior year expenditure of distributions
254 for each school and adjust the current year distribution of funds received from the
255 School LAND Trust Program as described in Section 53A-16-101.5, as necessary
256 to maintain an equal per student distribution within a school district based on school
257 openings and closings, boundary changes, and other enrollment changes occurring
258 after the fall enrollment report.

259 (2)(a) For purposes of this Subsection (2) and Subsection (3), “qualifying
260 charter school” means a charter school that:

261 (i) would receive more funds from a per pupil distribution than the charter
262 school receives from the base payment described in Subsection (2)(c); and

263 (ii) is not a newly opening charter school as described in Subsection (3).

264 (b) The Superintendent shall distribute the funds allocated to charter schools
265 as described in this Subsection (2).

266 (c) The Superintendent shall first distribute a base payment to each charter
267 school that is equal to the product of:

268 (i) an amount equal to the total funds available for all charter schools; and

269 (ii) at least 0.4%.

270 (d) After the Superintendent distributes the amount described in Subsection
271 (2)(c), the Superintendent shall distribute the remaining funds to qualifying charter
272 schools on a per pupil basis.

273 (3)(a) The Superintendent shall distribute an amount of funds to a newly
274 opening charter school that is equal to the greater of:

275 (i) the base payment described in Subsection (2)(c); or

276 (ii) a per pupil amount based on the newly opened charter school’s projected
277 October 1 enrollment count.

278 (b) The Superintendent shall increase or decrease a newly opening charter
279 school's first year distribution of funds in the school’s second year to reflect the newly
280 opening charter school’s actual first year October 1 enrollment.

281 (4) If a school chooses not to apply for funds or does not meet the
282 requirements for receiving funds, the USOE shall retain the funds allocated for that
283 school and include those funds in the statewide distribution for the following school
284 year.

R277-477-6. School LAND Trust Program - Implementation of Plans and Required Reporting.

(1) A school shall implement a plan as approved.

(2)(a) The principal shall submit a plan amendment authorized by Subsection 53A-16-101.5(6)(d)(iii) through the School LAND Trust website for approval, including the date the council approved the amendment and the number of votes for, against, and absent.

(b) The approving entity shall:

(i) consider the amendment for approval; and

(ii) approve an amendment before the school uses funds according to the amendment.

(c) The School Children's Trust Section shall review an amendment for compliance with statute and rule before the school uses funds according to the amendment.

(3)(a) A school shall provide an explanation for any carryover that exceeds one-tenth of the school's allocation in a given year in the School LAND Trust Plan or final report.

(b) The USOE shall consider a district or school with a consistently large carryover balance over multiple years as not making adequate and appropriate progress on an approved plan.

(c) The Board may take corrective action to remedy excessive carryover balances as outlined in Section R277-477-9.

(4) By approving a plan on the School LAND Trust website, the approving entity affirms that:

(a) the entity has reviewed the plan; and

(b) the plan meets the requirements of statute and rule.

(5)(a) A district or charter school business official shall enter prior year audited expenditures by specific category on the School LAND Trust website on or before October 1.

(b) The expenditure data shall appear in the final report submitted online by a principal, as required by Section 53A-16-101.5.

316 (6) A principal shall submit a final report on the School LAND Trust website
317 by October 20 annually.

318 **R277-477-7. School LAND Trust Program - School Children's Trust Section to**
319 **Review Compliance.**

320 (1)(a) The School Children's Trust Section shall review each school's final
321 report for consistency with the approved school plan.

322 (b) The School Children's Trust Section shall create a list of all schools whose
323 final reports indicate that funds from the School LAND Trust Program were expended
324 inconsistent with the statute, rule, or the school's approved plan.

325 (c) The School Children's Trust Section shall annually report a school
326 described in Subsection (1)(b) to the school district contact person, district
327 superintendent, and president of the local board of education or charter board, as
328 applicable.

329 (2) The School Children's Trust Section may visit a school receiving funds
330 from the School LAND Trust Program to discuss the program, receive information
331 and suggestions, provide training, and answer questions.

332 (3)(a) The School Children's Trust Director shall supervise annual compliance
333 reviews to review expenditure of funds consistent with the approved plan, allowable
334 expenses, and the law.

335 (b) The School Children's Trust Director shall report annually to the Board
336 Audit Committee on compliance review findings and other compliance issues.

337 (c) After receiving the report described in Subsection (3)(b) and any other
338 relevant information requested by the committee, the Board Audit Committee may
339 make a determination regarding questioned expenditures and corrective action as
340 outlined in Section R277-477-9.

341 **R277-477-8. School Children's Trust Director - Other Provisions.**

342 (1)(a) The School Children's Trust Director is an employee of the Board,
343 pursuant to Section 53A-16-101.6 and Board bylaws.

344 (b) The School Children's Trust Director shall report to the Board Audit
345 Committee monthly.

(c) The School Children's Trust Director shall report day-to-day to the Superintendent or the Superintendent's designee.

(2)(a) The School Children's Trust Director shall submit a draft section budget to the Board Audit Committee annually, consistent with Subsection 53A-16-101.6(5)(a).

(b) The School Children's Trust Director shall include in the draft budget a proposed School LAND Trust Program and training schedule, as described in Subsection 53A-16-101.6(13).

(3) In addition to the duties established in Section 53A-16-101.6, the School Children's Trust Director shall:

(a) assist the Board as needed as its designee in fulfilling its duties as primary beneficiary representative for school trust lands and funds;

(b) provide independent oversight of an agency managing school trust lands and the permanent State School Fund to ensure the trust assets are managed prudently, profitably, and in the best interest of the beneficiaries;

(c) review and approve a charter school plan on behalf of the State Charter School Board;

(d) provide notice as necessary to the State Charter School Board of changes required of charter schools for compliance with state statute and rule;

(e) review and approve a plan submitted by the USDB governing board as necessary; and

(f) carry out the policy direction of the Board under law and faithfully adhere to the Board-approved budget.

(4) The employees of the School Children's Trust Section report to the School Children's Trust Director.

R277-477-9. Failure to Comply with Rule.

(1) If a local school board, school district, district or charter school, or council fails to comply with the provisions of this rule, the School Children's Trust Director may report the failure to the Audit Committee of the Board.

(2) If the Audit Committee of the Board finds that any local school board, school district, district or charter school, or council failed to comply with statute or

377 rule, the Audit Committee may recommend that the Board take any or all of the
378 following actions:

379 (a) in cooperation with the local school board or charter school governing
380 board, develop a corrective action plan for the school district, district or charter
381 school, or council;

382 (b) require the school to reimburse the School LAND Trust Program for any
383 inappropriate expenditures;

384 (c) reduce, eliminate, or withhold future funding; or

385 (d) any other necessary and appropriate corrective action.

386 (3) The Board may, by majority vote, take any of the actions outlined in
387 Subsection (2) to correct or remedy a violation of statute or rule by a local school
388 board, school district, district or charter school, or council.

389 **KEY: schools, trust lands funds**

390 **Date of Enactment or Last Substantive Amendment: 2015**

391 **Notice of Continuation: August 13, 2015**

392 **Authorizing, and Implemented or Interpreted Law: Art X Sec 3; 53A-16-**
393 **101.5(3)(c); 53A-1-401(3)**